

**Introduced by Senator Fuller**

February 18, 2011

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An act to amend Section 38570 of the Health and Safety Code, relating to greenhouse gases.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 864, as introduced, Fuller. Emissions of greenhouse gases: market-based compliance mechanisms.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating greenhouse gas emission sources. The act requires the state board to adopt regulations to require the reporting and verification of statewide greenhouse gas emissions and to monitor and enforce compliance with this program. The act also requires the state board to adopt regulations to provide for a statewide greenhouse gas emissions limit to be achieved by 2020, equivalent to the statewide greenhouse gas emissions levels in 1990. Existing law authorizes the state board to include market-based compliance mechanisms, as defined, to comply with the regulations.

This bill would make technical, nonsubstantive changes to this authorization.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 38570 of the Health and Safety Code is  
2     amended to read:

1 38570. (a) The state board may include, in the regulations  
2 adopted pursuant to Section 38562, the use of market-based  
3 compliance mechanisms to comply with the regulations.

4 (b) Prior to the inclusion of ~~any~~ a market-based compliance  
5 mechanism in the regulations, to the extent feasible and in  
6 furtherance of achieving the statewide greenhouse gas emissions  
7 limit, the state board shall do all of the following:

8 (1) Consider the potential for direct, indirect, and cumulative  
9 emission impacts from these mechanisms, including localized  
10 impacts in communities that are already adversely impacted by air  
11 pollution.

12 (2) Design ~~any~~ a market-based compliance mechanism to  
13 prevent ~~any~~ an increase in the emissions of toxic air contaminants  
14 or criteria air pollutants.

15 (3) Maximize additional environmental and economic benefits  
16 for California, as appropriate.

17 (c) The state board shall adopt regulations governing how  
18 market-based compliance mechanisms may be used by regulated  
19 entities subject to greenhouse gas emission limits and mandatory  
20 emission reporting requirements to achieve compliance with their  
21 greenhouse gas emissions limits.